Suspension of duty benefits to Indian imports by U.S.A.

486. DR. BAPU KALDATE:
SHRI MOHAMMED AFZAL:
alias MEEM AFZAL:
SHRI KRISHAN LAL SHARMA:

Will the Minister of COMMERCE be pleased to state:

(a) what would be the impact on the country's exports to USA with the suspension of duty benefits to certain Indian imports;

(b) what is the outcome of the talks, if any, held by Government with USA in this regard;

(c) whether it is also a fact that U.S.A. has suspended duty free treatment to pharmaceuticals and chemicals from India;

(d) if so, what are the names of the pharmaceuticals and chemicals effected by this move;

(e) what is the amount of loss to India as a result thereof; and

(f) what remedial steps are being taken by Government in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED): (a) to (f) On 29 April, 1992 United States Government announced suspension of duty free treatment under GSP to 60 million dollars worth of Indian exports to the US. The decision covered mainly pharmaceuticals, chemicals and allied products figuring under chapters 28-38 of the Harmonised System Tariff Schedule. The suspension of GSP benefits was made effective from May 19, 1992. As a result of the US action the affected products would no longer be eligible for duty free treatment when imported from India, but attract Most Favoured Nation tariffs, ranging from 0.5 percent to 17.5 percent. While it is too early to make a quantitative assessment of the loss in exports as a result of the US decision, it is very likely that products attracting relatively higher rates of tariff would become uncompetitive in the US market.

Government of India's view that this action was unjustified, untimely and unwarranted was conveyed to the US authorities. The US response was that the decision could be reversed if India addressed US concerns on patent protection.

Issuance of instructions for the payment of C.C.S.

487. SHRI VIREN J. SHAH: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have issued any instructions for the payment of Cash Compensatory Support to exporters against their pending applications;

(b) if so, what are the details of instructions issued in this regard;

(c) the details of amount released so far, in 1992 for payment of Cash Compensatory Support to exporters;

(d) what are the numbers and details of applications of exporters pending in Delhi, Bombay and other offices as on the 31st March, 1992;

(e) what are the details of the amount allocated to each office and payments made by them upto the 31st March, 1992 and the 30th June, 1992; and

(f) what is the number of applications pending in each office on the 1st July, 1992 and when these are likely to be cleared for payment of CCS?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED): (a) and (b) The procedure for payment of CCS has been laid down in the Hand Book of Procedures. According to this procedure, the exporters have to prefer their claim for payment of CCS within a period of 24 months. Applications received after this period are summarily rejected. No new instructions have been issued for such payments during 1992-93.

(c) The amount released so far for the year 1992-93 is Rs. 180 crores.